

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:882
ANSWERED ON:25.07.2003
PLANTATION SECTOR
N.N. KRISHNADAS;P. RAJENDRAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government have taken note of the pathetic state of affairs in the plantation sector of various States including Kerala where thousands are rendered jobless and many committing suicides;
- (b) whether the State Governments including Kerala Government have requested the Union Government for any financial package for helping the poor workers of the plantation sector;
- (c) if so, the details thereof;
- (d) the reaction of the Union Government thereto;
- (e) whether there is any proposal before the Government to take over the closed plantations;
- (f) if so, the details thereof; and
- (g) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO)

(a): Government is already seized of the problems affecting the plantation sector in the country, including Kerala and a series of measures have been taken to mitigate their hardships.

(b)&(c): In view of the crisis being faced by the plantation sector, the Government of India have been receiving representations from various quarters including the State Governments of Kerala and Karnataka highlighting the problems faced by the growers of plantation crops and tea growers in particular due to crash in prices and escalation in cost resulting in mounting heavy losses and closure of several tea states.

(d)to(f): To safeguard the interest of the growers of rubber Government of India undertook a series of measures which include market intervention through STC, fixing and notifying minimum price of rubber, enforcing quality standards formulated by Bureau of Indian Standards on imported rubber, restricting import of Natural Rubber through two ports viz. Vishakhapatnam and Kolkata etc. These measures have helped in improving the domestic price of Natural Rubber, which is presently around Rs. 45 per kg.

Similarly for the benefit of coffee sector the Government have taken a series of steps which includes re-phasing of the loans taken by the coffee growers from commercial banks, providing 5% interest relief to small growers and 3% relief to large coffee growers on their working capital loans taken from financial institutions, providing financial incentives for export of coffee and innovative marketing strategies in international as well as domestic markets to arrest decline in exports and also to increase domestic consumption.

To mitigate the problems of the growers of tea and workers of tea plantations, Expert Committees appointed by the Government have made an in-depth study of the closed tea gardens in the States of Kerala, West Bengal, Assam & Tripura. Based on the findings of the Expert Committees, Government and Tea Board are facilitating discussions of the management of these tea gardens with their bankers for working out a revival package for the potentially viable gardens.

In addition the Government of India has also set up a Price Stabilisation Fund with a corpus of Rs. 500 crore for providing relief to the growers of tea, coffee, rubber and tobacco.

(g): Does not arise.